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MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA

Volume 3

January 1959

Number 6

Released Pursuant to §1000.27 (j) and §1000.85, USDA-AMS 7-1-59
Federal Order No. 100, 3756 Ringgold Rd., Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

MARKET SUMMARY JANUARY 1959

The Order MINIMUM uniform price payable to producers for milk delivered during January to pool plants located less than 65 miles from City Hall, Chattanooga, Tennessee and distributing milk in Hamilton, Bradley, and McMinn Counties Tennessee is \$4.88 per cwt. f.o.b. plants for milk testing 4.0% butterfat. The butterfat differential is 7.4¢ for each one tenth of one percent above or below 4.0 percent.

During January 86.2 percent of total producer milk was priced in Class I at \$5.21 per cwt. with a handler butterfat differential of 7.8¢ and 13.8 percent was priced in Class II at \$3.33 per cwt. with a butterfat differential of 6.6¢. (See page 3) The percent of producer skim and butterfat priced in Class I was 86.9% and 70.4% respectively.

The daily average deliveries of producer milk during January decreased 0.3% compared with December and increased 0.4% compared with January 1958. The daily average use of Class I milk increased 7.4% compared with December and increased 8.5% compared with January 1958.

ACTIVITIES OF CHECK TESTERS January 1959: Plant Scales checked 7; Plant calls 109
Samples tested - Composite 2,026, Fresh 5,030, Finished Products 233.

DECEMBER 1958 DAILY AVERAGE MILK DELIVERIES AND NUMBER OF PRODUCERS BY COUNTIES
COMPARED WITH DECEMBER 1957

State and County	<u>December 1958</u>				<u>December 1957</u>			
	Average Deliveries	% of Total	No. Prod.	Avg. Lbs. Per Farm	Average Deliveries	% of Total	No. Prod.	Avg. Lbs. Per Farm
<u>TENNESSEE</u>								
Bledsoe	7,788	2.00	19	410	7,435	1.93	18	413
Bradley	75,994	19.51	165	461	77,573	20.08	181	429
Cumberland	2,436	0.63	4	609	-	-	-	-
Franklin	10,695	2.75	22	486	9,770	2.53	20	489
Hamilton	41,427	10.63	64	647	42,532	11.01	67	635
Loudon	4,822	1.24	10	482	5,192	1.34	11	472
Marion	13,598	3.49	32	425	13,995	3.62	38	368
McMinn	92,741	23.82	190	488	92,900	24.05	197	472
Meigs	19,906	5.11	44	452	16,477	4.27	39	422
Monroe	22,678	5.82	36	630	16,053	4.16	28	573
Polk	14,787	3.80	22	672	15,585	4.04	25	623
Rhea	11,679	3.00	29	403	13,146	3.40	34	387
Sequatchie	13,064	3.35	26	502	13,503	3.50	29	466
<u>GEORGIA</u>								
Catoosa	24,053	6.18	34	707	24,654	6.38	40	616
Walker	23,356	6.00	34	687	20,998	5.44	40	525
<u>ALABAMA</u>								
DeKalb	3,364	0.86	18	187	5,804	1.50	24	242
Jackson	7,032	1.81	15	469	10,625	2.75	19	559
TOTAL	389,420	100.00	764	510	386,242	100.00	810	477

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	Jan. '59	Dec. '58	Jan. '58
Number of Plants (Pool and Non-Pool)	20	20	22
GROSS RECEIPTS (DAILY)			
Producer Milk - Cans	182,771	186,778	275,444
Producer Milk - Bulk Tank	205,287	202,642	111,083
Total Producer Milk Pounds	388,058	389,420	386,527
% January '59 compared with:	100.0	99.7	100.4
Other Source Milk Pounds	12,529	13,063	7,652
Other Order Milk Pounds	22,850	21,965	13,239
TOTAL RECEIPTS MILK POUNDS	423,437	424,448	407,418
% January '59 compared with:	100.0	99.8	103.9
GROSS UTILIZATION (DAILY)			
Class I Milk Pounds:			
Fluid Milk	288,176	275,645	272,233
Buttermilk	38,230	36,399	37,917
Chocolate Milk	6,430	6,299	6,123
Fluid Skim	7,267	6,609	5,830
Fluid Creams	2,129	2,342	1,917
Bulk to Non-Handlers	18,957	9,477	9,275
Class I Shrinkage	1,924	2,693	1,056
Inventory Reclass.	(931)	(2,274)	(627)
Overstated Sales	-	-	-
Total Class I Milk	362,182	337,190	333,724
% January '59 compared with:	100.0	107.4	108.5
Class II Milk Pounds (Used to Produce)			
Butter	4,191	2,959	6,141
Cottage Cheese	10,655	8,422	10,017
Powdered and Condensed Milk	23,946	48,624	34,887
Ice Cream	16,800	15,388	12,890
Inventory Variation	(3,889)	(4,881)	2,001
Other	9,552	16,746	7,758
Total Class II Milk	61,255	87,258	73,694
% January '59 compared with:	100.0	70.2	83.1
TOTAL UTILIZATION CL. I AND CL. II MILK LBS.	423,437	424,448	407,418
% Producer Milk to Gross Class I	107.1	115.5	115.8
% Producer Skim of Gross Class I Skim	106.2	114.5	114.8
% Producer Butterfat of Gross Class I Butterfat	130.9	141.1	142.4
% Producer Milk Priced in Class I	86.2	79.8	81.8

FEBRUARY 1959 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	Feb. '59	Jan. '59	Feb. '58
Basic Formula (See page 4)	\$3.43	\$3.46	\$3.56
Plus (\$1000.51(a)(1))	1.75	1.75	1.75
Supply-Demand Adjustment	0.00	0.00	0.00
Class I Price, 4.0% Butterfat	\$5.18	\$5.21	\$5.31

Per \$ 1000.51(a)

Supply-Demand Comparison: 1st and 2nd preceding months: December and January

Supply: Lbs. Producer Milk (Dec. 12,072,024 and Jan. 12,029,800) 24,101,824

Demand: Lbs. Net Class I Milk (Dec. 9,933,397 and Jan. 10,644,194) 20,577,591

Utilization Percentage: Producer milk divided by Class I 117

Standard Utilization Percentage: Range 117 - 121 117

Net Deviation Percentage: Utiliz. % 117 minus Standard Utiliz. % 117 0

Supply-Demand Adjustment: 2 cents x 0 percentage points \$0.00

Since the supply in relation to the demand is within the desired standard, the price is not affected by the supply-demand provision.

The average daily bases that producers established during the months of Sept. 1958 through Jan. 1959 will be announced by the Market Administrator before March 1, 1959. If any producer who established a base does not receive a base notice, he should contact the office of the Market Administrator. During the months of March through July, 1959, all Chattanooga area producers will receive settlement for their milk at a base price and an excess price. The milk delivered by each producer above his monthly base will be paid for at the excess price. If base deliveries are less than Class I utilization, the excess price will be increased to the extent excess milk is used in Class I.

SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR JANUARY 1959

Based on 20 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test-%	Cwt. Price @ Test	Value
Gross Class I		11,227,641	3.652		
Less Other Source		858,927	3.717		
Producer Milk Class I	86.2	10,368,714	3.646286	\$4.934103	\$511,603.03
Gross Class II		1,898,894	8.428		
Less Other Source		237,808	0.569		
Producer Milk Class II	13.8	1,661,086	9.552726	6.994799	116,189.63
TOTAL PROD. (CL. I + CL. II)	100.0	12,029,800	4.461853		627,792.66
Add Fractional Adjustment					.06
Add Compensatory Payment Value		150,591		0.33	496.95
Add Overage Value					94.79
Add Inventory Reclass. Value					99.13
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					5,628.39
TOTAL VALUE AT TEST		12,029,800	4.461853		634,111.98
Less Test Over 4% @ 7.4¢ per point		12,029,800	.461853	0.341771	41,114.37
TOTAL VALUE AT 4.0%		12,029,800	4.0	4.929405	592,997.61
Less Producer-Settlement Fund Reserve		12,029,800		.049405	5,943.32
UNIFORM PRICE f.o.b. POOL PLANT		12,029,800	4.0	4.88	587,054.29

JANUARY 1959 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)

BUTTERFAT DIFFERENTIAL 7.4¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$4.14	3.6	\$4.584	4.2	\$5.028	4.8	\$5.472	5.4	5.916
3.05	4.177	3.65	4.621	4.25	5.065	4.85	5.509	5.45	5.953
3.1	4.214	3.7	4.658	4.3	5.102	4.9	5.546	5.5	5.99
3.15	4.251	3.75	4.695	4.35	5.139	4.95	5.583	5.55	6.027
3.2	4.288	3.8	4.732	4.4	5.176	5.0	5.62	5.6	6.064
3.25	4.325	3.85	4.769	4.45	5.213	5.05	5.657	5.65	6.101
3.3	4.362	3.9	4.806	4.5	5.25	5.1	5.694	5.7	6.138
3.35	4.399	3.95	4.843	4.55	5.287	5.15	5.731	5.75	6.175
3.4	4.436	4.0	4.88	4.6	5.324	5.2	5.768	5.8	6.212
3.45	4.473	4.05	4.917	4.65	5.361	5.25	5.805	5.85	6.249
3.5	4.51	4.1	4.954	4.7	5.398	5.3	5.842	5.9	6.286
3.55	4.547	4.15	4.991	4.75	5.435	5.35	5.879	5.95	6.323

NUMBER OF FARM PAYROLL ACCOUNTS

	1958												1959
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Can	647	641	626	614	600	586	553	516	490	474	449	433	427
Tank	157	161	173	184	191	201	229	265	289	303	319	331	334
TOTAL	804	802	799	798	791	787	782	781	779	777	768	764	761
New	2	0	1	3	0	0	2	18	23	6	2	3	4
Quit	8	2	4	4	7	4	7	19	25	8	11	7	7

SUMMARY OF CHATTANOOGA MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES				HANDLER CLASS PRICES			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Jan.'58	\$4.94 <u>1</u>	-	-	7.1¢	\$5.29 <u>1</u>	7.8¢	\$3.56	6.8¢
Feb.	5.02 <u>1</u>	-	-	7.1	5.31 <u>1</u>	7.7	3.16	6.8
Mar.	4.90 <u>2</u>	\$5.02 <u>1</u>	\$3.06	7.4	5.32	7.7	3.10	6.8
Apr.	4.57 <u>2</u>	4.83 <u>1</u>	2.98	7.2	5.37	7.7	3.02	6.6
May	4.35 <u>2</u>	4.58 <u>1</u>	2.94	7.2	5.08 <u>1</u>	7.5	2.98	6.6
June	4.33 <u>2</u>	4.48 <u>1</u>	2.95	7.2	4.96 <u>1</u>	7.5	2.99	6.6
July	4.48 <u>2</u>	4.62 <u>1</u>	3.01	7.2	4.95 <u>1</u>	7.5	3.05	6.6
Aug.	4.59 <u>1</u>	-	-	7.2	5.06 <u>1</u>	7.5	3.10	6.7
Sept.	4.77 <u>1</u>	-	-	7.4	4.96 <u>1</u>	7.6	3.45	6.9
Oct.	4.86 <u>1</u>	-	-	7.6	5.14 <u>1</u>	7.8	3.36	6.7
Nov.	4.88 <u>1</u>	-	-	7.4	5.23 <u>1</u>	7.6	3.35	6.7
Dec.	4.80 <u>1</u>	-	-	7.2	5.17 <u>1</u>	7.5	3.46	6.9
Jan.'59	4.88 <u>1</u>	-	-	7.4	5.21 <u>1</u>	7.8	3.33	6.6
Feb.	-	-	-	-	5.18 <u>1</u>	7.5	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS				Highest or Basic Formula
	Mid-West	Chi. 92°	Chi. Area	Wisc.	(\$-cwt-4%)				
	Cond.	Butter	Powders	Cheese	Mid-West	Butter	Butter 4 Tenn.	Milk Mfg.	
	\$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.	Cond.	Cheese	Powder	Milk	\$-cwt-4%
Jan. '58	3.133	59.375	14.535	33.250	3.49	3.24	3.56	3.19	3.56
Feb.	3.110	59.375	14.460	33.250	3.47	3.24	3.53	3.16	3.53
Mar.	3.082	59.308	14.360	32.812	3.45	3.23	3.52	3.10	3.52
Apr.	2.956	57.750	13.405	31.057	3.32	3.13	3.37	3.02	3.37
May	2.896	57.661	12.525	31.727	3.26	3.14	3.33	2.98	3.33
June	2.890	57.750	12.425	31.750	3.25	3.14	3.30	2.99	3.30
July	2.921	57.750	12.545	31.750	3.28	3.14	3.33	3.05	3.33
Aug.	2.960	58.137	12.640	31.770	3.32	3.16	3.35	3.10	3.35
Sept.	2.995	60.250	12.635	32.062	3.37	3.26	3.45	3.11	3.45
Oct.	3.040	58.364	12.685	32.700	3.42	3.18	3.36	3.14	3.42
Nov.	3.054	58.016	12.780	32.094	3.42	3.16	3.35	3.18	3.42
Dec.	3.071	60.330	12.705	31.688	3.43	3.25	3.46	3.21	3.46
Jan. '59	3.062	57.744	12.680	31.750	3.43	3.14	3.33	3.21	3.43

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS POUNDS MILK 3/					Number		Deliveries Per			Prod.
	Gross	Prod.	Prod.	Base	Gross	of	Farm -- Pounds			Milk	
	Cl. I	Cl. I	Repts.	Repts.	Repts.	Hdlr. Prod.	Prod.	Base	Exc.	Test %	
Jan. '58	333,724	316,224	386,527	-	407,418	22 804	481	-	-	4.48	
Feb.	337,832	319,309	363,475	-	385,707	22 802	453	-	-	4.47	
Mar.	329,719	310,776	376,313	353,279	400,141	23 799	471	442	29	4.30	
Apr.	315,814	292,133	431,190	371,749	458,987	23 798	540	466	74	4.22	
May	311,391	287,275	429,256	369,197	458,164	21 791	543	467	76	4.22	
June	288,811	265,772	382,696	344,531	411,822	21 787	486	438	48	4.11	
July	300,068	276,595	359,524	328,401	389,251	21 782	460	420	40	4.16	
Aug.	324,059	297,463	383,430	-	415,307	21 781	491	-	-	4.11	
Sept.	379,939	350,615	392,148	-	429,253	21 779	503	-	-	4.17	
Oct.	372,297	346,532	395,318	-	427,085	20 777	509	-	-	4.35	
Nov.	356,251	328,796	392,826	-	426,727	20 768	511	-	-	4.43	
Dec.	337,190	310,664	389,420	-	424,448	20 764	510	-	-	4.51	
Jan. '59	362,182	334,475	388,058	-	423,437	20 761	510	-	-	4.46	

¹/ Excludes Premium²/ For statistics only³/ Other Source is Gross minus Producer; Class II is receipts minus Class I; Excess Receipts is Producer minus Base